Supreme Court, U.S.
FILED
NOV 2 4 2003
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No. 03-612

IN THE

Supreme Court of the United States

INTERNATIONAL BANCORP, LLC,
INTERNATIONAL SERVICES, INC.,
INTERNATIONAL LOTTERIES, LLC,
BRITANNIA FINANCE CORPORATION and
LAS VEGAS SPORTSBOOK, INC.,

Petitioners,

v.

SOCIÉTÉ DES BAINS DE MER ET DU
CERCLE DES ETRANGERS Á MONACO,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

BRIEF IN OPPOSITION

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39 pp

PARTIES TO THE PROCEEDINGS AND STATEMENT PURSUANT TO RULE 29.6

Pursuant to Sup. Ct. R. 29.6, respondent submits the following corporate disclosure statement:

Société des Bains de Mer et du Cercle des Etrangers à Monaco ("SBM")

SBM has no parent corporations and no publicly held company owns more than 10% of SBM's stock.

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Respondent Société des Bains de Mer et du Cercle des Etrangers à Monaco ("SBM") respectfully requests that this Court deny the petition for writ of certiorari, seeking review of the Court of Appeals decision in this case.

STATEMENT OF THE CASE

Opinions Below. Petitioners attach copies of the relevant opinions, but without the emphasis provided by the District Court and the Fourth Circuit. Accordingly, SBM cites to both the official reporter and petitioners' Appendix ("App.") when discussing the relevant opinions.

Jurisdiction. Petitioners' Statement fails to comply with Sup. Ct. R. 14(g)(ii). In the District Court, SBM cross-claimed for Cybersquatting (under 15 U.S.C. § 1125(d)(1)), trademark dilution (15 U.S.C. § 1125(c)), unfair competition and trademark infringement (15 U.S.C. §§ 1125(a) and 1126(h)) and common law trademark infringement. Federal jurisdiction in the court of first instance was thus proper under 28 U.S.C. §§ 1331, 1338 and 1367.

Relevant Provisions. In enacting the Lanham Act, Congress provided certain definitions to be used "unless the contrary is plainly apparent from the context." 15 U.S.C. § 1127. Among the Lanham Act's defined terms, "commerce" "means *all* commerce which may lawfully be regulated by Congress." *Id.* (emphasis added). Because the Commerce Clause provides that "the Congress shall have Power . . . to regulate Commerce with foreign nations, and among the several States, and with the Indian Tribes" (U.S. Const. art. I, § 8, cl. 3), the Lanham Act necessarily encompasses foreign trade.

The Lanham Act defines "use in commerce" with respect to service marks, such as CASINO DE MONTE CARLO, as follows:

> The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed

> to be in use in commerce . . . (2) on services *when it is used or displayed in the sale or advertising of services* and the *services are rendered in commerce*, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

15 U.S.C. § 1127 (emphasis added).

This action. This case concerns a wholesale appropriation of SBM's CASINO DE MONTE CARLO service mark for a gambling operation petitioners run on the Internet. Using the domain name "Casino Monte Carlo" along with a host of similar variants, the gambling site that is the subject of this case featured a photograph of the CASINO DE MONTE CARLO's exterior facade accompanied by the greeting, "Welcome to Casino Monte Carlo." The site's gambling "room" featured a replica of one of the CASINO DE MONTE CARLO's famous salons. The advertising for the site even laid claim to the CASINO DE MONTE CARLO's vaunted history, falsely stating that its owners have been in "business for more than 140 years" and making the statement that the site operates with a "gaming license from Casino Monte Carlo." In sum, the appropriation and infringement here is egregious.

Petitioners initiated this case in the Eastern District of Virginia after a World Intellectual Property Organization panel had ordered petitioners to transfer to SBM 53 domain names infringing SBM's venerated Casino de Monte Carlo. SBM countersued as set forth above, seeking the return of the domain names, an injunction, and statutory damages under the Anticybersquatting Consumer Protection Act ("ACPA"). SBM has owned and operated the Casino de Monte Carlo for over 140 years, and has specifically promoted the Casino and its mark in the United States for at least 20 years through an office in New York. American citizens booked travel through that office to travel to Monte Carlo to vacation and gamble. Petitioners admittedly chose the domain names at issue in this case in an effort to make an association with the CASINO DE

MONTE CARLO; they admitted directly copied portions of the interior and exterior of the CASINO DE MONTE CARLO in their software. The parties filed cross summary judgment motions, and agreed to submit the written summary judgment record to the court in lieu of trial.

The district court issued its ruling transferring 43 of 53 domain names to SBM, awarding statutory damages under the ACPA (finding petitioners' registrations to be in bad faith), and enjoining petitioners from infringing any of SBM's marks. Petitioners moved for reconsideration, and the parties engaged in two additional rounds of briefing, after which the district court reinstated its opinion and order. *See International Bancorp v. Société des Bains de Mer*, 192 F. Supp. 2d 467, 470 n.1 (E.D. Va. 2002). Petitioners appealed.

The Fourth Circuit issued its opinion on May 19, 2003, affirming the District Court's transfer of domain names to SBM. 329 F.3d 359 (4th Cir. 2003) (App., 1a-80a). As set forth above, for a service mark (as opposed to a mark on goods) to receive protection, the Lanham Act requires: (1) the mark to be used or displayed in the sale or advertising of the service; and (2) the service so advertised to be rendered in commerce, including foreign commerce. A descriptive service mark such as CASINO DE MONTE CARLO must also possess "secondary meaning," *i.e.*, "the consuming public's understanding that the mark, when used in context, refers, not to what the descriptive mark ordinarily describes, but to the particular business that the mark is meant to identify." *Perini Corp. v. Perini Construction, Inc.*, 915 F.2d 121, 125 (4th Cir. 1990).

The Fourth Circuit analyzed the two-pronged "use in commerce" test in the context of this case, and found that SBM had satisfied both prongs. SBM engaged in substantial advertising of its CASINO DE MONTE CARLO, and the services were provided in qualifying commerce (foreign trade). SBM's CASINO DE MONTE CARLO was also proved to have secondary meaning, based upon two independent grounds: (1) the evidence below offered by SBM sufficiently established such secondary meaning; and (2) evidence of petitioners'

copying of SBM's service mark and trade dress created a presumption of secondary meaning, which petitioners did not rebut. The Fourth Circuit thus affirmed the District Court. Petitioners petitioned for rehearing en banc, asserting many of the same unfounded points set forth in their current petition. That petition was denied.

STATEMENT OF FACTS

SBM's Use of CASINO DE MONTE CARLO in the United States. SBM proffered substantial *undisputed* facts that support the District Court and the Fourth Circuit's finding that SBM has used its CASINO DE MONTE CARLO mark in the United States. This unrebutted evidence demonstrates that:

In 1863, SBM was formed by Prince Charles III of Monaco to create a destination casino and resort (named "Monte Carlo" in his honor). SBM is the CASINO DE MONTE CARLO's founder and manager, and since 1863 has maintained the monopoly for casino and gaming industries for the territory of the Principauté de Monaco. SBM is the registrant of the CASINO DE MONTE CARLO trademark, filed with the Monaco Trademark Office. SBM is working to create an official, SBM-sponsored online casino that can be accessed by authorized and approved gaming enthusiasts through legal and secure means. As part of that process, SBM has registered domain names that reflect its trade names and marks, developed software, planned marketing, and petitioned the Monegasque government to authorize online games.

SBM has used its CASINO DE MONTE CARLO mark throughout the world, including the United States. Specifically, SBM annually spends approximately $1 million promoting its CASINO DE MONTE CARLO through print media, films, and the Internet, and has distributed its magazines and newsletters throughout the world (including the United States). SBM's New York office is used to promote SBM's resorts (including the CASINO DE MONTE CARLO) to SBM's clientele in the United States. As recently as 2000, approximately 22 percent of SBM's customers were from North America.

SBM has received considerable unsolicited media coverage, and SBM maintains a Web site with a link to the CASINO DE MONTE CARLO, to promote SBM's resort (and equally the CASINO DE MONTE CARLO). American citizens can book travel and journey to Monaco to gamble at SBM's CASINO DE MONTE CARLO. Further, SBM's clients can access SBM's resort (including its CASINO DE MONTE CARLO) online, and make reservations. It is undisputed that SBM's use of its mark in the United States predates the petitioners' use of that mark by many years.

The Petitioners' Infringement. Approximately five years ago, petitioners began registering domain names that incorporate or are very similar to SBM's CASINO DE MONTE CARLO mark (ultimately registering 53 such names). Petitioners used several of the sites in dispute in this action as a front for their online gambling activities. For example, when an Internet user went to <www.casinomontecarlo.com>, a page appeared saying "Casino Monte Carlo" with a photograph of a salon from the CASINO DE MONTE CARLO.

At that site, Internet users could download on-line gambling software entitled "Casino Monte Carlo," which had a picture of SBM's CASINO DE MONTE CARLO, and a "Welcome to Casino Monte Carlo" greeting. The "interior" of the petitioners' "Casino Monte Carlo" also portrayed a "belle epoque" style, intended to imitate that of the CASINO DE MONTE CARLO. In fact, a portion of the interior of the petitioners' "Casino Monte Carlo" was copied directly from a room in SBM's CASINO DE MONTE CARLO, Salon de l'Europe.[1]

Petitioners also used statements on their Web sites designed to convey a connection with SBM's CASINO DE MONTE CARLO. For example, petitioners stated:

- "This casino is owned and managed by a group of US corporations, including a US finance company, and

1. The background columns, doors, windows, archways, arches, lights and even ceiling in petitioners' software were copied from the CASINO DE MONTE CARLO.

an international group of companies who have been in business for more than 140 years."

- "We are the only Internet gaming company to have the double gaming license from Casino Monte Carlo and from Las Vegas Casino."
- "Or would you prefer something more sublime? A location between mountain and sea, gardens, cultural events, only 29,000 residents, ideal for a romantic vacation, an independent state in the heart of Europe – the Principality of Monaco, and naturally, *Monte Carlo, home of legendary casinos famous the world over. Instead of travelling [sic] there, try www.montecarlocasino.net.*"[2] (Emphasis added.)

Petitioners further admitted that they approved their online casino's graphic design, gave their software developer the main web site <casinomontecarlo.com>'s name (and thus the software's name, *i.e.*, Casino Monte Carlo), and that they licensed software that included images of Monte Carlo, including the CASINO DE MONTE CARLO.

The Petitioners' Misrepresentation of the Factual Record. Petitioners' Statement of Facts contains numerous "facts" unsupported by the record. For example, they state that "Respondents [sic] have permitted perhaps hundreds of others to use 'Casino de Monte Carlo' in various forms without repercussions." There is no such evidence in the record, nor can there be; the statement is false. Petitioners state that SBM never objected over 136 years to another's use of marks infringing Casino de Monte Carlo. No such evidence is in the record. Petitioners contend the Thomson and Thomson report in evidence was somehow relevant; it was not, as it did not show use of CASINO DE MONTE CARLO or any variations thereof on the Internet.[3]

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2. As could be seen in the graphic on that page, "www.monte carlocasino.net" is listed next to a depiction of a castle flying the Monegasque flag.

3. Visitors to the Monte Carlo Resort & Casino, Las Vegas (misidentified by petitioners as "the Monte Carlo Casino of Las Vegas") (Cont'd)

Petitioners misstate the holding of the Fourth Circuit, stating that it held "that 'in commerce' within the meaning of 15 U.S.C. § 1127 requires only that Respondent render services which 'substantially affect commerce' in the United States, and that the fact that some U.S. citizens availed themselves of Respondent's gambling services in Monaco, plus the fact that Respondent advertised its gaming services in the U.S. was sufficient 'use in commerce' to create U.S. trademark rights for Respondent." Petition at 6. As set forth below, the Fourth Circuit specifically found that SBM's advertising in the U.S., coupled with its foreign trade with U.S. citizens, was sufficient "use in commerce," regardless of whether it would "substantially affect commerce" or not. That argument by petitioners was specifically *rejected* by the Fourth Circuit, not embraced in its holding.

And finally, SBM clearly disputes that petitioners have furnished any basis for the granting of their petition for writ of certiorari, as set forth below.

REASONS FOR DENYING THE PETITION

I. THE FOURTH CIRCUIT'S ANALYSIS OF "USE IN COMMERCE" IS CONSISTENT WITH PRECEDENT AND SUPPORTED BY CONGRESS' PLAIN LANGUAGE

Petitioners claim that the Fourth Circuit's decision conflicts with longstanding precedent and creates an important conflict among the Courts of Appeal. A review of the decision, however, makes clear that the Fourth Circuit's analysis, far from ignoring precedent, embraces the plain language used by Congress in the exercise of its Commerce Clause powers. In doing so, the Fourth Circuit synthesized relevant Supreme Court precedent and distinguished the Circuit cases petitioners cite. Petitioners, however, urge upon this Court the adoption of a new, judicially manufactured standard for "use in

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(Cont'd)
do not believe that they are in Monaco. On the Internet, SBM has no such protections.

commerce" at odds with the plain language Congress mandated.

Petitioners further contend that the Fourth Circuit's application of the straightforward statutory command of the Lanham Act will "frustrate[] the predictable acquisition of trademark rights on a territorial basis worldwide." Notwithstanding that the courts must provide the Lanham Act's protection to mark owners who meet the requirements of the statute (and cannot rewrite the statute), the Fourth Circuit's analysis of "use in commerce" in this case is also consistent with the Lanham Act's ultimate goal of reducing consumer confusion. Policy considerations, *i.e.*, reduction of consumer confusion and Congress' sole authority to create laws affecting foreign commerce, thus support the Fourth Circuit's decision.

A. *The Fourth Circuit's Analysis of "Use in Commerce" Is Consistent With Supreme Court Precedent*

Petitioners cite three cases they contend are in conflict with the Fourth Circuit's analysis of "use in commerce." All three cases were decided well before Congress enacted the Lanham Act (1946), and the Fourth Circuit's analysis of "use in commerce" is consistent with these cases.[4]

First, petitioners cite *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98 (1918), contending that it *United Drug* holds "the adoption of a trade-mark does not project the right of protection in advance of the extension of trade." Petition at 9. That case does not conflict with the Fourth Circuit's decision. The case was decided 28 years before the enactment of the Lanham Act, and thus necessarily could not interpret its "use in commerce" definition. The case analyzed the affixation of trademarks to *products*, not services.[5] Finally, the case also

4. Moreover, if petitioners really believed such cases were in conflict with the Fourth Circuit's opinion in this case, they presumably would have cited them in their motion for rehearing en banc. Their failure to do so speaks volumes of the strength of this argument.

5. For a product, the Lanham Act requires that the mark be affixed to the products and that "the goods are sold or transported in commerce," (Cont'd)

recognized that "the adoption of a trade-mark does not, *at least in the absence of some valid legislation enacted for the purpose,* project the right of protection in advance of the extension of the trade." 248 U.S. at 98.[6] The Lanham Act, as applied by the Fourth Circuit in this case, for example, is such "valid legislation enacted for the purpose."

Next, petitioners cite *Ingenohl v. Olsen & Co.*, 273 U.S. 541, 544 (1927), contending that it "acknowledged the geographic basis of marks." Again, the case pre-dates the Lanham Act, and thus does not contradict the Fourth Circuit's analysis of one of the Act's provisions. The case also dealt with trademarks related to products. Finally, petitioners blatantly misquote *Ingenohl* in an attempt to buttress their argument. In *Ingenohl*, the plaintiff brought suit in the British Colony of Hongkong, and was determined by the Colony's Supreme Court to be the owner of certain trade marks and trade names. In a subsequent suit brought in the Philippines to recover costs adjudged to the plaintiff in the first case, the Supreme Court of the Philippine Islands decreed the judgment of the Supreme Court of Hongkong to be the product of a clear mistake of law or fact, and therefore gave a judgment against the plaintiff. The United States Supreme Court reversed, finding that the Hongkong court properly settled the rights of the parties in Hongkong. The quote offered by petitioners in their brief properly reads, "*A* trade-mark started elsewhere would depend for its protection *in Hongkong* upon the law prevailing in *Hongkong* and would confer no rights except by the consent

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(Cont'd)

i.e., the goods are sold or transported in interstate commerce, foreign trade, or trade with the Indian tribes. 15 U.S.C. § 1127. As set forth in § 1127, the way to "affix" a mark to a *service* is to advertise or sell services using the mark. To be entitled to protection, a party must also, as SBM here, render the service in interstate commerce, *foreign trade*, or trade with the Indian tribes.

6. *United Drug* recognized that Congress' power to legislate regarding trademarks arose "from the authority to regulate *commerce with foreign nations* and among the several states and with the Indian tribes." 248 U.S. at 98 (citing *In re Trade-Mark Cases*, 100 U.S. 82, 93, 25 L.Ed. 550 (1879)) (emphasis added).

of that law." 273 U.S. at 544 (italics omitted by petitioners). The *Ingenohl* case is thus inapposite. This is not a case regarding the rights of SBM in Monaco, where its mark was registered. Rather, as applied by the Fourth Circuit, this case involves SBM's rights to CASINO DE MONTE CARLO in the United States, as defined by United States laws.

Lastly, petitioners cite *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 416-17 (1916), for the proposition that the goods or services to which a mark attaches must reach those markets in which the trader seeks protection. *Hanover* holds no such thing. As an initial point, *Hanover* pre-dates the Lanham Act, and it is confined to goods, not services. Affixing a mark to a good and placing it in commerce is far different than providing a service. As stated above, the way to "affix" a mark to a service is to advertise the service, and here SBM did so – extensively – in the United States and elsewhere. Even regarding goods, the Supreme Court stated in *Hanover*:

> That property in a trademark *is not limited in its enjoyment by territorial bounds*, but may be asserted and protected wherever the law affords a remedy for wrongs, is true in a limited sense. Into whatever markets the use of a trademark has extended, *or its meaning has become known*, there will the manufacturer or trader whose trade is pirated by an infringing use be entitled to protection and redress.

240 U.S. at 415-16 (emphasis added). The Court emphasized that *"a trademark acknowledges no territorial boundaries of municipalities or states or nations*, but extends to every market where the trader's goods *have become known and identified by use of the mark." Id.* at 416 (emphasis added). Here, SBM's CASINO DE MONTE CARLO is renowned. Both SBM and petitioners operate Web sites aimed at the gambling community, accessible worldwide. Moreover, petitioners' selection of CASINO DE MONTE CARLO and similar marks, as well as their misappropriation of the CASINO DE MONTE CARLO's facade and descriptions, further supports SBM's ability to enjoin petitioners' activities. As recognized by

Hanover, where parties are in separate, remote markets, the issue of the exclusive right to use a trademark and the priority of the first to appropriate a mark becomes significant if "it appear that the second adopter has selected the mark with some design inimical to the interests of the first user, such as to take the benefit of the reputation of his goods, to forestall the extension of his trade, or the like." *Id.* at 415.

Petitioners' argument (without authority) that a trademark owner only has protection where services are actually rendered is belied by the Fourth Circuit's analysis and by this Court's precedent. *See* 329 F.3d at 366-67 (locality in which foreign commerce takes place is irrelevant) (App., 12a-13a); *United States v. Holliday*, 3 Wall. 407, 70 U.S. 407, 417-18 (1865); *see also Henderson v. Mayor of City of New York*, 92 U.S. 259, 270 (1875); *In re: Trade-Mark Cases*, 100 U.S. 82, 96 (1879).

B. *The Fourth Circuit's Analysis of "Use in Commerce" Does Not Conflict With Other Circuits*

Petitioners contend that the Fourth Circuit's analysis of "use in commerce" creates a conflict between the Fourth Circuit, on the one hand, and the Federal and Second Circuits, on the other hand. There is no such conflict.

The case of *Imperial Tobacco Limited v. Philip Morris, Inc.*, 899 F.2d 1575, 1579 (Fed. Cir. 1990) (Petition at 11) is not in conflict. In *Imperial Tobacco*, the Federal Circuit faced a claim by a United Kingdom mark owner that it had not abandoned its mark's United States registration (obtained under the Lanham Act's provision allowing registration of foreign marks *employed exclusively in foreign use*). The mark owner claimed two uses: exclusively domestic (selling goods in the United States to United States citizens), and exclusively foreign (selling and advertising of goods to foreigners in other countries). The Federal Circuit dispensed with exclusively foreign use as being unprotected by the Lanham Act, and proceeded to examine the evidence of exclusively domestic use. *Id.* at 1579. "No use of the mark in commerce in *or with* the United States was alleged." *Id.* at 1577 (emphasis added). The Federal Circuit thus made clear that the Lanham Act protected not just

commerce within the United States, but that commerce with the United States is also protected. Here, SBM alleged and proved both use in, and with, the United States. The exclusively foreign use that *Imperial Tobacco* determined did not support Lanham Act protection is different from the use at issue here, where the mark is both used in advertising and displays in the United States and attached to services rendered in qualifying commerce overseas.

The Federal Circuit's case of *Person's Co., Ltd. v. Christman*, 900 F.2d 1565, 1568-69 (Fed. Cir. 1990) is not in conflict. Once again, the Fourth Circuit specifically set forth why the case is distinguishable from the present case. 329 F.3d at 374-75 (App., at 27a-28a). *Person's* involved goods, not services, and there, the court faced the question of whether a Japanese manufacturer of clothes that had sold its clothes in Japan, *and had never used or displayed its mark to advertise or sell its products in the United States*, could establish priority of use in the mark *based on its Japanese operations*. No evidence whatsoever was proffered that the company had in any way used or displayed its mark to advertise or sell its product to United States consumers, and thus the court found that only "foreign use" *(i.e.*, the foreign advertising of its product to foreign consumers) of the mark existed.[7] Exclusively foreign use, as with the use in *Imperial Tobacco*, is not at issue in this case. Here, SBM used and displayed its mark to advertise its services in the United States.

Similarly, *Rivard v. Linville*, 133 F.3d 1446, 1449 (Fed. Cir. 1998) is not in conflict, for the same reasons, and those set forth in the decision below. 329 F.3d at 375-76 (App., at 29a-31a) (the case followed *Imperial Tobacco*, which found that exclusively foreign use would not enable Lanham Act

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7. In addition, the *Person's* court specifically noted that "Person's Co. does *not* assert rights under § 44, which if properly applied, might have been used to secure priority over Christman." 900 F.2d at 1569, n.16 (emphasis added). The *Person's* court did *not* address unfair competition [§44(h), codified at 15 U.S.C. § 1126(h)], because that section *could not be adjudicated* in a cancellation or opposition proceeding. *Id.* at 1570-71. Ultimately, *Person's* is inapposite because the petitioners do not enjoy priority of use of SBM's marks in the United States — SBM's use pre-dated the petitioners' use.

protection). Petitioners apparently rely upon the TTAB's underlying decision in *Rivard*, which the Federal Circuit affirmed, but not on the Board's reasoning. The Federal Circuit in *Rivard* did *not* consider whether servicing United States customers constituted qualifying commerce, but rather found that exclusively foreign use was not covered by the Lanham Act. Here, as set forth in the record, SBM's mark is both used in advertising and displays in the United States and attached to services rendered in qualifying foreign commerce.

Nor is the Second Circuit in conflict with the Fourth Circuit. Petitioners cite *Buti v. Perosa, S.R.L.*, 139 F.3d 98, 103 (2d Cir. 1998). As set forth by both the district court and the Fourth Circuit, it is distinguishable from the present case. In *Buti*, the owner of a foreign mark distributed t-shirts, cards and key chains to persons associated with modeling and the fashion industry, but had *never* opened an establishment in the United States, had *never* "conduct[ed] any formal advertising or public relations campaign in this country" and had "tak[en] no actual steps to implement [its] 'fantasy'" to offer services in the United States. *Buti*, 139 F.3d at 100. Lanham Act protection was thus sought on the thinnest pretext of use.[8] Importantly, the *Buti* plaintiff conceded at oral argument that the services in question were *not* part of the trade between the foreign nation and the United States.[9] Both prongs required for Lanham Act protection of service marks were thus not met.

Here, SBM has not only consistently used its mark to advertise and promote its CASINO DE MONTE CARLO in the United States, but SBM also operates an office in New York and Web sites available over the Internet that provide

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8. Moreover, *Buti* specifically noted that (1) the presence of bad faith or (2) the unauthorized use of a famous mark are exceptions to the principle that a mark must be used in the United States to gain protection against use by others. *Id.* at 104, n.2. Both exceptions are applicable here. *Buti* is thus further distinguishable from this case because *Buti* specifically found that the Italian establishment was not famous. *Id.* The contrary finding is appropriate here.

9. SBM made no such concession, and in fact contends the opposite.

information to United States customers and allow them to book reservations. And petitioners conceded the elements needed to prove the existence of foreign trade. Accordingly, *Buti* may be distinguished on its facts; the holding is not in conflict with the Fourth Circuit's analysis here.

Although no Court of Appeals in a reported decision has squarely addressed the issue – whether rendering of services outside the United States coupled with advertising or display of a mark in the United States constitutes "use in commerce" – the Fourth Circuit addressed here, at least two district court cases have, and both reached the same result reached here. In *Cable News Network L.P., L.L.L.P. v. Cnnews.com*, 177 F. Supp. 2d 506, 517-18 and n. 25 (E.D. Va. 2001) (Ellis, J.), the court found that even an Internet Web site providing news and information directed solely at Internet users outside the United States (but which could be accessed by U.S. citizens) used a mark "in commerce" as set forth in the Lanham Act.

Similarly, *Blumenfeld Dev. Corp. v. Carnival Cruise Lines, Inc.*, 669 F. Supp. 1297 (E.D. Pa. 1987) is on all fours with this case. In *Blumenfeld*, Carnival Cruise Lines' predecessor adopted a marketing concept titled "Fun Ship," and began to send out advertising and promotional brochures marketing Carnival Cruise Lines as the owner of the "Fun Ship" Mardi Gras. *Id.* at 1302. The *Blumenfeld* court found:

> For over fifteen years *Carnival has been using its trade name and mark throughout the nation.* Carnival *advertises and promotes its trade name and mark to consumers and travel agents* heavily throughout the United States, especially in the Northeast.

Id. at 1317-18 (emphasis added). Thus, like SBM, Carnival satisfied the "use[] or display[] in the sale or advertising of services" prong for "use in commerce." Similarly, the *Blumenfeld* court also specifically found that "[t]he fact that Carnival is a Panamanian corporation and that its casinos [designated by the mark "Carnival"] *only operate outside the United States territorial waters is irrelevant.*" *Id.* at 1321 (Fact 54) (emphasis added).

C. *The Fourth Circuit's Analysis of "Use In Commerce" Follows Congress' Plain Language*

As noted by the Fourth Circuit, there is no dispute that "commerce" under the Lanham Act "is coterminous with that commerce that Congress may regulate under the Commerce Clause of the United States Constitution." (329 F.3d at 363-64 (App. at 7a), citing *United We Stand America, Inc. v. United We Stand, America, NY, Inc.*, 128 F.3d 86, 92-93 (2d Cir. 1997); *Planetary Motion v. Techsplosion*, 261 F.3d 1188, 1194 (11th Cir. 2001).) Accordingly, because the Commerce Clause provides that "the Congress shall have Power . . . to regulate Commerce with foreign nations, and among the several States, and with the Indian Tribes" (U.S. Const. art. I, § 8, cl. 3), the Lanham Act necessarily encompasses foreign trade. To give credence to petitioners' argument that foreign trade is not encompassed by the Lanham Act would require this Court to disregard the uniform findings of the Circuits that Lanham Act "commerce" is coterminous with the Commerce Clause.

Congress' intent to cover all use of trademarks and service marks in commerce, including foreign commerce, is underscored by its statement regarding the intent of the Lanham Act, contained at the end of 15 U.S.C. § 1127:

> The intent of this chapter is to regulate *commerce within the control of Congress* by making actionable the deceptive and misleading *use of marks in such commerce*; to protect registered marks used in such commerce from interference by State, or territorial legislation; *to protect persons engaged in such commerce against unfair competition*; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to *provide rights and remedies stipulated by treaties and conventions* respecting trademarks, trade names, and unfair competition entered into between the United States and foreign nations. (Emphasis added).

Thus, Congress intended to use its full power under the Commerce Clause to protect the use of marks in "commerce within the control of Congress." Nothing in 15 U.S.C. § 1127 requires the marks to be registered, or to be used solely in domestic commerce. To the contrary, the Lanham Act protects foreign companies like SBM, with unregistered marks that have been used in commerce, from the misappropriation of such marks. *See id.*; 15 U.S.C. §§ 1125(a) and (d); 15 U.S.C. §§ 1126(b) and (h).

As set forth above, to be "use[d] in commerce," a service mark must be (1) "used or displayed in the sale or advertising of services"; and (2) the services must be rendered in commerce. As the dissent did below, petitioners conflate the two distinct elements that must be shown to establish "use in commerce" for service marks under the Lanham Act.[10] The majority correctly held SBM "used" its mark "in commerce" under the Lanham Act. First, there is no dispute that SBM intentionally and formally used and displayed its mark in the sale and advertising of its services in the United States. 329 F.3d at 373 (App., at 24a).[11] Second, the Fourth Circuit properly found that "the selling by SBM of gambling

10. *See* 329 F.3d at 383-84 (App., at 48a-49a) (at least acknowledging the two elements); Petition at 7-12, 16-18 (ignoring them).

11. Petitioners attempt to muddy the waters on this issue by arguing, without basis, that "there was some advertising done by Respondents [sic] in the U.S." and "[t]he advertising required to meet the 'use in commerce' requirement is minimal." Petition at 8 and 17. Here, as found by both the District Court and the Fourth Circuit, SBM engaged in substantial advertising and promotion of its CASINO DE MONTE CARLO through its New York office. The "Famous Marks" doctrine would carve an exception even to the advertising requirement. *See Grupo Gigante S.A. de C.V. v. Dallo & Co.*, 119 F. Supp. 2d 1083, 1089-91 (C.D. Cal. 2000) (discussing "Famous Marks" exception and distinguishing *United Drug*; "famous marks" doctrine is exception to territoriality principle and allows protection of marks "sufficiently known to potential customers in the area of the United States in which it seeks protection"). As a leading commentator on trademarks has noted, "If a mark used only on products or services sold abroad is so famous that its reputation is known in the United States, then that mark should be legally recognized in the United States." J.T. McCarthy, *McCarthy on Trademarks and Unfair Competition* § 29:4 at 29-9.

services to United States citizens abroad, constitutes foreign commerce under Article I of the United States Constitution and so also constitutes commerce under the Lanham Act." 329 F.3d at 373 (App., at 24a).[12] SBM's services are thus rendered in "commerce which may lawfully be regulated by Congress."

D. *Policy Considerations Support The Fourth Circuit's Analysis of "Use in Commerce"*

Petitioners urge the Court to grant certiorari because, as they contend, "The Fourth Circuit's interpretation of the Lanham Act's operative language "use in commerce" frustrates the predictable acquisition of trademark rights on a territorial basis worldwide." Petition at 16. Petitioners' policy argument fails for three reasons.

First, petitioners overstate the reach of the Fourth Circuit's decision. Petitioners argue that "[t]he advertising required to meet the 'use in commerce' requirement is minimal." Petition at 17. The Fourth Circuit here found that "mere advertising," by itself, was not enough. Here, SBM engaged in *substantial* advertising directed toward American citizens over a period of many years. *See* 329 F.3d at 370 (App., at 18a) ("And quite clearly SBM has used its mark in its foreign trade, formally, and at great cost, advertising its services intentionally to United States citizens under the 'Casino de Monte Carlo' mark.") and 373 (App., at 25a) (describing SBM's efforts as "singularly impressive"). Petitioners also claim that "a business that advertises in Russia but renders a service to some Americans in Tuvalu will be deemed to have a U.S. trademark." Petition at 18. The use petitioners describe would be exclusively foreign use, and thus unprotected. Here, analyzing the two prongs of "use in commerce" established by the Lanham Act, the Fourth Circuit stated,

> it is not enough for a mark owner simply to render services in foreign commerce for it to be eligible for trademark protection. Nor is it enough for a

12. The dissent below does not dispute that SBM's provision of services constitutes foreign commerce.

> mark owner simply to use or display a mark in the sale or advertising of services to United States consumers. *Both* elements are required, and *both* elements must be distinctly analyzed.

329 F.3d at 373 (App., at 25a). Moreover, as applied to the facts of *this* case, such concerns are inapplicable because, as established by the factual record

> It cannot but be concluded that *this* use of the mark – that is the building of brand identity among United States consumers – very much occurred in the United States, and indisputably so. On our understanding of the statutory language it does not follow that since the mark has not been *rendered in commerce* in the United States it is equally fair to say that the mark has not been *used in the United States*, when in fact it has been widely used in the United States for advertising and marketing purposes.

Id.

Second, the Fourth Circuit's decision serves the "ultimate end of all trademark law," *i.e.*, the avoidance of consumer confusion. 329 F.3d at 381 (App., at 38a). This case presents a paradigmatic situation in which the Lanham Act, as applied, will reduce consumer confusion.[13] Reduction of consumer confusion promotes economic efficiency, and certainty. Here, petitioners misappropriated SBM's famous CASINO DE MONTE CARLO, essentially uprooted from Monaco and splashed across the Internet, without SBM's consent, support or approval. Because consumers using the Internet would not have been able to determine whether petitioners' Web sites were, in fact, associated with SBM, the Fourth Circuit's decision does not create uncertainty, but rather removes it.

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13. The Fourth Circuit noted that the TTAB's acknowledgment of the "famous marks" doctrine – providing protection for marks even absent qualifying use in commerce – serves this end. 329 F.3d at 381-82 (App., at 38a).

Finally, even if the Court were to agree with petitioners, the Court may not rewrite the Lanham Act; it is Congress' responsibility to do so, if warranted. Because the Fourth Circuit's analysis of "use in commerce" so closely tracks the language used by Congress in the Lanham Act, even were the Court to agree with petitioners, it is up to Congress to change the Lanham Act, not the Court. *See, e.g., United States v. Trans-Missouri Freight Ass'n*, 166 U.S. 290, 340 (1897) ("If an act ought to read as contended for by defendants, congress is the body to amend it, and not this court, by a process of judicial legislation wholly unjustifiable.").

II. THE FOURTH CIRCUIT'S PRESUMPTION OF SECONDARY MEANING IS CONSISTENT WITH OTHER CIRCUITS, NOT IN CONFLICT WITH THEM

Petitioners claim that the Fourth Circuit's decision "which presumed 'secondary meaning' based upon an inference of 'copying' a generic or descriptive term creates a well defined and fundamentally important conflict" with three other circuits. As a preliminary matter, petitioners misstate the Fourth Circuit's holding. The Fourth Circuit did not base "secondary meaning" upon an "inference" of copying. The evidence of petitioners' intentional copying was substantial. Moreover, the Fourth Circuit made no holding whatsoever regarding generic terms – such terms never receive protection. Rather, as petitioners agreed, CASINO DE MONTE CARLO is a descriptive term, entitled to protection upon a showing of secondary meaning.

Petitioners' argument fails for several other reasons. First, the argument essentially requests an advisory opinion, because both the District Court and the Fourth Circuit specifically found that SBM had established secondary meaning in *two* ways: (1) under a traditional analysis of factors that demonstrate secondary meaning (advertising expenditures, consumer studies, sales success, unsolicited media coverage, attempts to plagiarize the mark and the length and exclusivity of the use of the mark); and (2) because SBM established that petitioners *directly* and *intentionally* copied the

CASINO DE MONTE CARLO mark,[14] the mark was presumed to have secondary meaning, and petitioners could have presented evidence to rebut that presumption. Petitioners did not present evidence sufficient to rebut the presumption, or even to counter the factors demonstrating secondary meaning. 329 F.3d at 371 (App., at 22a). The "burden-shifting" analysis is thus dicta, and not outcome-determinative.

Second, the burden-shifting set forth in *Larsen v. Terk Techs. Corp.*, 151 F.3d 140 (4th Cir. 1998), used by the District Court and the Fourth Circuit in this case, is not in conflict with the Ninth, Eleventh and Seventh Circuits. All three of these Circuits find that evidence of direct copying is at least evidence of secondary meaning. In addition, the burden shifting is consistent with the analysis undertaken in the Second, Sixth and Tenth Circuits.

Finally, the Fourth Circuit's analysis of an evidentiary presumption does not "confer[] exclusionary rights in descriptive and generic words." As set forth above, generic marks are not entitled to protection, and descriptive words must show secondary meaning. SBM showed secondary meaning; petitioners did not present any evidence of a lack of secondary meaning.

A. *The Burden-Shifting Analysis Is Not Outcome Determinative*

Petitioners request review of the Fourth Circuit's analysis of burden-shifting, despite the fact that the analysis is not outcome determinative. In other words, because the courts below specifically found an independent basis – the sufficiency of which petitioners have not appealed – for secondary meaning, any decision by this Court regarding the propriety of burden-shifting would be advisory. A decision by the Court on the issue would not affect the rights of petitioners or SBM. *See, e.g., Preiser v. Newkirk*, 422 U.S. 395, 401-02 (1975) (improper to decide questions that cannot

14. Thus, petitioners argument also fails to the extent it claims that the Fourth Circuit relied upon an "inference" of copying. Petition at 13.

affect the rights of the litigants in the case before the Court); *Chicago & Southern Air Lines, Inc. v. Waterman S.S. Corp.*, 333 U.S. 103, 113-14 (1948) ("It has been the firm and unvarying practice of Constitutional Courts to render no judgments not binding and conclusive on the parties . . .").

In addition to the burden-shifting, both the District Court and the Fourth Circuit applied the factors evidencing secondary meaning set forth in *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 124 (4th Cir. 1990). Under *Perini*, courts may look at factors such as set forth above (*i.e.*, advertising expenditures, sales success, unsolicited media coverage, etc.) to determine whether a descriptive mark has become distinctive and thus gained secondary meaning. Here, SBM proffered uncontroverted evidence, as found by both the District Court and the Fourth Circuit, showing substantial advertising expenditures, significant sales success within the United States, substantial unsolicited media coverage of the Casino de Monte Carlo, frequent attempts by others to plagiarize its mark, and a long history (140 years) of continuous use of the CASINO DE MONTE CARLO mark. Petitioners did not put on evidence to undermine that showing. As noted by the Fourth Circuit, the District Court found that none of petitioners' scant evidence was probative, "at any level." 329 F.3d at 371 (App., at 22a).

Accordingly, because the judgment of the District Court and the Fourth Circuit rest upon independent grounds sufficient to sustain a finding of secondary meaning – petitioners do not claim here that there was insufficient evidence to support such a finding under the *Perini* factors – petitioners are requesting this Court's review of dicta. Even were this Court to advise that burden-shifting such as that performed here was improper, it would not affect the issue of whether CASINO DE MONTE CARLO enjoyed secondary meaning under an application of the *Perini* factors. Petitioners request should thus be denied.

B. *The Fourth Circuit's Burden-Shifting Analysis Is Consistent With Other Circuits' Views Regarding Intentional Copying*

In addition to an analysis of the *Perini* factors to determine secondary meaning, the District Court and the Fourth Circuit applied the burden-shifting set forth in *Larsen v. Terk Techs. Corp.*, 151 F.3d 140 (4th Cir. 1998). Under that analysis, evidence of intentional, direct copying established a *prima facie* case of secondary meaning sufficient to shift the burden of proof to the petitioners. *Id.* at 148-49.[15]

Other Circuits are in accord. *See Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1239 (6th Cir. 1991), *reh'g en banc denied*, 1991 U.S. App. LEXIS 31362 (6th Cir. Nov. 15, 1991), *cert. denied*, 505 U.S. 1219, 112 S. Ct. 3028 (1992) ("Arguably, secondary meaning in this case can be presumed from [defendant's] admissions that he intentionally copied [plaintiff's] design.");[16] *Auto Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 558 (9th Cir. 1960) (when copying shown (and no evidence of non-copying offered), secondary meaning presumed); *My-T Fine Corp. v. Samuels*, 69 F.2d 76, 77 (2d Cir. 1934) (L. Hand, J.) (same); *DeGidio v. West Group Corp.*, 191 F. Supp. 2d 904, 917 (N.D.Ohio 2002) (the petitioners' counsel in this case brought suit in Ohio and argued *for* the presumption); *Hartford House, Ltd. v. Hallmark Cards, Inc.*, 647 F. Supp. 1533, 1542-43 (D. Colo. 1986), *aff'd*, 846 F.2d 1268 (10th Cir. 1988) ("Proof of copying may be sufficient in and of itself to establish secondary meaning because there is no reason to copy a nonfunctional feature

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15. In a related context, courts have almost unanimously presumed a likelihood of confusion upon a showing that a defendant intentionally copied a plaintiff's trademark or trade dress. *See M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 448 n. 24 (4th Cir. 1986) (citing 2 McCarthy §§ 23:34-35 (2d ed. 1984)).

16. Petitioners mention this case, but inexplicably neglect to inform the Court that Roberts' Petition for Writ of Certiorari was denied. *See* Petition at 14. Nothing in *Ferrari* holds that trademarks would not be subject to the same burden-shifting.

except to capitalize on an already existing secondary meaning.").[17]

Petitioners argue that the Fourth Circuit's analysis conflicts with the Ninth, Eleventh and Seventh Circuits. Not so. As set forth above, all three of these Circuits find that evidence of direct copying is at least evidence of secondary meaning. That the Fourth Circuit finds such evidence to be entitled to more weight than those Circuits does not warrant Supreme Court review. In all Circuits, upon a plaintiff's showing of secondary meaning, defendants have the ability to present their own evidence rebutting that showing.

Petitioners cite *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 844 (9th Cir. 1987), claiming that "[t]he Ninth Circuit has clarified its position and has directly rejected the use of a presumption for secondary meaning." Petition at 15. Petitioners again misquote authority, omitting from the middle of their quote (inexplicably without designating the omission) the Ninth Circuit's acknowledgment that, "in appropriate circumstances, deliberate copying may suffice to support an inference of secondary meaning." *Id.* The Ninth Circuit's refusal to shift the burden in *Fuddruckers* was based upon the potential that competitors may intentionally copy product features, such as functional features, that they perceive as lacking any secondary meaning because of those features' intrinsic economic benefits. *Id.* at 844-45. That is not this case.

Petitioners also cite *Brooks Shoe Mfg. Co., Inc. v. Suave Shoe Corp.*, 716 F.2d 854, 860 (11th Cir. 1983). The *Brooks* court merely held that proof of intentional copying did not create a conclusive presumption. *Id.* at 860. Thus, under the Eleventh Circuit's analysis, as under the Fourth Circuit's analysis in this case, a defendant has the ability to put forth its own evidence

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17. Petitioners attempt to distinguish the application of the presumption of secondary meaning in cases regarding trademarks versus those regarding trade dress, a distinction that the Fourth Circuit explicitly rejected in this case and in *Larsen*. Other Circuits have not explicitly addressed the issue, and in any event, petitioners in this case *did* misappropriate CASINO DE MONTE CARLO's trade dress, using pictures of the famed CASINO on their Web sites and gambling software.

in an attempt to defeat a plaintiff's evidentiary showing. *Id.* (noting "[t]here may have been many other motivations for defendant's actions").

Finally, petitioners cite *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1183 (7th Cir. 1989) for the proposition that "intentional copying is merely one piece of probative evidence of secondary meaning." In *Schwinn*, however, the defendant specifically "[did] not contest the district judge's finding of 'secondary meaning.'" *Id.* In dictum, the *Schwinn* court reiterated a prior holding that recognized that while some courts have employed a presumption of secondary meaning upon evidence of trade dress copying, the Seventh Circuit found "proof of intentional copying is probative evidence of 'secondary meaning.'" *Id.* at 383 n. 13 (citing *Vaughan Mfg. Co. v. Brikam Int'l, Inc.*, 814 F.2d 346, 348-49 (7th Cir. 1987)).

None of the cases cited by petitioners involved a situation, such as here, where petitioners intentionally used SBM's mark as the name of its software, copied CASINO DE MONTE CARLO and its derivatives in domain names, plastered the actual casino's facade and interior on petitioners' Web sites and attempted to make other associations with SBM's 140-year old CASINO DE MONTE CARLO mark.

Thus, the Fourth Circuit's view, echoed by several other Circuits, that evidence of direct copying meets a mark owner's burden of proof and shifts the burden to the infringer to rebut such evidence is consistent with the cases cited by petitioners. In all those cases, the courts found such evidence probative, but, in their view, more evidence was required under the particular facts of each case. This issue is thus not the subject of a palpable and important split among the Circuits.

C. *The Fourth Circuit's Use of an Evidentiary Presumption Does Not "Confer[] Exclusionary Rights in Descriptive and Generic Words"*

As a final argument, petitioners reiterate an argument rejected by the Fourth Circuit, that the burden-shifting of *Larsen* somehow violates Federal Rules of Evidence Rule 301 and this

Court's analysis in *St. Mary's Honor Ctr. v. Hicks*, 509 U.S. 502, 507 (1993).

Rule 301 specifically provides that "a presumption imposes on the party against whom it is directed *the burden of going forward with evidence to rebut or meet the presumption.*" (emphasis added). Consistent with Rule 301, upon SBM's showing of intentional copying (establishing a *prima facie* case of secondary meaning and likelihood of confusion), the "burden" shifted to petitioners to rebut or meet SBM's *prima facie* showing.[18] Under any view of the presumption applied in this case, petitioners were required to proffer evidence rebutting the presumption, a "burden" that they failed to meet.[19] Fed. R. Evid. Rule 301 does not change this outcome.

In *St. Mary's Honor Center v. Hicks*, the Court found that a plaintiff could present evidence establishing a presumption of discrimination, but once an employer articulates a legitimate, non-discriminatory reason for the adverse employment action, the presumption of discrimination created by the plaintiff's establishment of a *prima facie* case "simply drops out of the picture." 509 U.S. at 510-11. Consistent with *Hicks*, therefore, once petitioners articulated any sufficient basis to contradict SBM's evidence of secondary meaning, the presumption would have been rebutted. Petitioners failed to offer any such evidence, and now ask this Court, as they asked the Fourth Circuit, to rescue them from their failure. As did the Fourth Circuit, this Court should decline the invitation.

Petitioners incorrectly argue that "evidence has been brought forth to show a lack of secondary meaning." Petition at 19. Petitioners' list is of no moment because *none of those factors were present in this case*. Specifically, there was no evidence introduced by petitioners that other parties had used

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18. *See* Fed. R. Evid. 301; *Larsen*, 151 F.3d at 149.

19. The petitioners *failed* to proffer sufficient, competent evidence under Fed. R. Civ. P. Rule 56(e) and *Celotex Corp. v. Catrett*, 477 U.S. 317, 325, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986) to meet the evidentiary burden they would bear at trial to rebut the presumptions of secondary meaning and likelihood of confusion.

"CASINO DE MONTE CARLO" on the Internet, no evidence regarding SBM's alleged failure to police its mark, there was no evidence that SBM had ever used its mark in a generic sense, statements to the USPTO were deemed irrelevant (and agreed to be so by petitioners' counsel), SBM had not engaged in inconsistent presentation of its mark; and no evidence that use by petitioners of SBM's name in another country was, in fact, legitimate. Thus, this was not a case where such evidence was not acceptable – this was a case where no such evidence was offered, and the evidence that was offered was not probative. As the Fourth Circuit did, this Court should decline to engage in *ex post facto* evidence weighing. Such analysis of evidentiary facts and the weight given to them is not a proper purpose for a writ of certiorari.

III. FINALLY, THE INJUNCTIVE RELIEF GRANTED BY THE DISTRICT COURT AND THE FOURTH CIRCUIT IN THIS CASE DOES NOT WARRANT THIS COURT'S REVIEW

Petitioners incorrectly claim that "overbroad interpretation of 'use in commerce' and 'secondary meaning' will lead to overbroad remedies." Petition at 20. The claim is not properly before the Court because it does not relate to the injunction that was granted in this case. Moreover, petitioners do not contend the injunctive relief granted is somehow in conflict with this Court or other Circuits. Instead, petitioners present a fact-based argument that is simply belied by the evidence.

The injunction in this case, transferring the names from *petitioners* to SBM and prohibiting *petitioners* from using CASINO DE MONTE CARLO or any of its variations on the Internet and in United States commerce is appropriate and sufficiently tailored. The injunction affects the narrow subject of the domain names at issue which were registered with Network Solutions (an American company), and petitioners' actions vis-a-vis SBM's CASINO DE MONTE CARLO, to the extent such actions impact United States commerce.

Here, the District Court granted an injunction transferring 43 domain names – all in the American <.com>, <.net> or <.org> domains – from petitioners to SBM and prohibiting petitioners from using CASINO DE MONTE CARLO or any of its variations on the Internet and in United States commerce. Petitioners argued to the Fourth Circuit that the injunction "was over-broad and vague, and that less burdensome remedies were available." 329 F.3d at 382 (App., at 39a-40a). Because the injunction was entirely proper under 15 U.S.C. § 1125(d)(1), and because petitioners can point to no authority to the contrary, the Fourth Circuit properly determined that the injunction should stand.

The cases cited by petitioners do not hold otherwise. *Sterling Drug, Inc. v. Bayer AG*, 14 F.3d 733 (2d Cir. 1994), for example, merely holds that a German company could continue to use "Bayer" outside the United States. Compare *S.C. Johnson & Son, Inc. v. Clorox Co.*, 241 F.3d 232, 240-41 (2d Cir. 2001) (affirming injunction specific and definite enough to apprize those within its scope of the conduct that was being proscribed).

Petitioners now suggest that having copied SBM's CASINO DE MONTE CARLO mark in their domain names, advertising, and online gaming software, and having used these infringing marks on the Internet and thus in the United States, an injunction against petitioners and an order that they transfer the infringing domain names would restrain "affiliated" companies' ability to use their name on the Internet. Not so. Petitioners violated the Lanham Act by attempting – through the creation of various offshore companies, the registration of infringing names and the creation of software copying CASINO DE MONTE CARLO's likeness – to create an online CASINO DE MONTE CARLO. An injunction transferring the names from *petitioners* to SBM and prohibiting petitioners from using CASINO DE MONTE CARLO or any of its variations on the Internet and in United States commerce[20] is appropriate and sufficiently tailored.

20. This would, of course, include use of CASINO DE MONTE CARLO or any of its variations on the Internet, to the extent such use was accessible to United States consumers.

Petitioners' purported foreign "affiliates" would not be harmed by that injunction. Any use by petitioners of CASINO DE MONTE CARLO in the United States through these "affiliates" would subject petitioners to a finding of contempt.

Finally, the position advanced by petitioners would thwart the ACPA's stated aims of returning infringing domain names to mark owners. The ACPA provides for the return of infringing trademarks incorporated in domain names to mark owners, including infringing domain names registered by foreign companies. *See, e.g., Cnnews.com,* 177 F. Supp. 2d 506 (summary judgment granted and domain name ordered transferred from Chinese registrant); *Harrods Ltd. v. Sixty Internet Domain Names,* 157 F. Supp. 2d 658 (E.D. Va. 2001) (judgment and transfer of domain names ordered against Argentinian registrant of nearly 300 domain names incorporating plaintiff's mark despite the fact that registrant had asserted some purported rights in several of the names). If a cybersquatter could escape the Court's equitable powers simply by registering offshore shell corporations that also infringe a mark, the ACPA's provisions requiring transfer of the domain names would be rendered virtually meaningless. This is, of course, not the law. The injunction transferring the domain names at issue from petitioners to SBM was entirely proper under the ACPA.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be denied.

Respectfully submitted,

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